

# CIA Money Use Linked To 2 Denver Labor Units

Middle East,  
Latin Areas  
Activity Sites

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The Central Intelligence Agency (CIA) used two Denver-based labor organizations to pump hundreds of thousands of dollars into undercover activities in Latin America and the Middle East, The Denver Post learned Friday.

The two organizations are the Oil, Chemical and Atomic Workers Union (OCAW) and the International Federation of Petroleum and Chemical Workers.

Sources in Switzerland and Washington confirmed that the federation received a total of \$40,000 in 1961 and 1962 from the Andrew Hamilton Fund of Philadelphia, which earlier had been identified as a link in the CIA money-funneling operation.

Other sources said CIA funding of the federation would probably total "several hundred thousand dollars a year."

## Latest Additions

The OCAW and the federation were the latest additions to a long list of organizations which have been linked to CIA activities. Other organizations included the National Student Association, the National Education Association and the National Council of Churches.

Officials of both the OCAW and the federation denied the allegations, but declined to discuss certain details of their financing.

A third Denver organization—the League for International Social and Cooperative Development—also was mentioned in connection with the federation's operations. It, too, declined to discuss its finances.

"Normally, we would have no objection (to such disclosure)," Sam Butler, a league certified public accountant with offices at 101 S. Madison St., told The Post. "But we're being dragged into this, and it's not right."

## Private Group

"We're a private organization, and we don't need to give out such information."

Butler said he wasn't at liberty to disclose the names of members of the league's board of directors.

But he did acknowledge that O. A. (Jack) Knight, former president of the

OCAW, was associated with the league.

Knight—who after his retirement from OCAW in 1965 moved to Phoenix, Ariz.—wasn't available for comment.

The method by which the CIA funneled money into certain federation activities were incredibly complex.

Sources in Washington gave this account: The federation was established at a meeting in Paris in 1954. For a few years, it just "drifted along"—small in numbers and relatively ineffective.

In 1957-58, it suddenly began growing, in size and in power, until today it claims about 2 million members in 153 unions in 78 countries.

Perhaps it was coincidence, but on July 21, 1957, a story in The Post quoted OCAW President Knight as saying:

"We can have a heavy influence in offsetting communism in the Middle East."

"We place a positive emphasis on democracy, and we believe what we teach in the labor field will carry over into political life."

Knight—who, at the time had

Continued

strikes in British Guiana in 1962 and 1963 against the former Marxist prime minister of that country, Dr. Cheddi Jagan.

Knight was identified as the prime link between the CIA and the federation. He was serving as president of both the OCAW and the federation.

A Washington trade unionist who is well acquainted with Knight said Knight "acted out of a sense of patriotism . . . he hated communism and he wanted to do whatever he could to combat it."

During the federation's era of growth, an OCAW staff representative—Loyd Haskins—took over as full-time general secretary of the federation, and the federation opened offices in the Denham Building in downtown Denver.

The Washington sources said the CIA used foundations to funnel money directly to the federation, and occasionally to the federation through Knight.

When Knight retired from the presidency of OCAW in late 1965, the question of the mysterious foundation grants almost—but not quite—arose. Instead, it formed an undercurrent of intrigue, of unresolved speculation, within OCAW.

One OCAW member said he had heard "rumblings" about the OCAW and/or the federation receiving State Department money, "but it never was quite clear what it was all about."

#### CHANGE MADE

A. F. Grosperon succeeded Knight as president of OCAW and — "the disengagement began," Washington sources said.

Grosperon reportedly felt it was improper for a labor organization to be used as an in-

strument of government policy. 1963.

For years, the Washington sources said, the OCAW hadn't been paying the federation "head tax." The normal dues for a union's membership in the federation are 2 cents per member per month.

During Knight's dual tenure in the OCAW and federation presidencies, the head tax reportedly had been paid with CIA funds.

When Grosperon took over, he reportedly reinstated the payments — but with the money actually coming from member dues.

#### VALUE OF GROUP

Grosperon told The Post he believes in the value of the federation, as a labor organization. But he denied any knowledge of its involvement with CIA.

Did the federation make annual financial reports to its member unions? It did, he said, "but who reads financial reports?"

Haskins denied the federation had received any CIA money.

"I don't know where you got such a report," he said. "It's completely false."

#### PRIVATE GROUPS

Haskins said the only private foundations from which the federation had received funds were the League for International Social and Cooperative Development and the Midland International Foundation of Indianapolis.

Amounts, he said, ranged from \$3,000 "to a few more" — leaving the upper end open on "a few more."

However, sources in Geneva, Switzerland, produced a copy of a financial statement which the federation issued at its world congress in Athens, Greece, in

That financial statement showed a \$40,000 contribution from the Andrew Hamilton Fund of Philadelphia in 1961 and 1962.

#### ANOTHER REPORT

Then, in another report to the federation congress in Caracas, Venezuela, last November, Haskins stated:

"The League for International Social and Cooperative Development, a Denver-based foundation, has been generous with us and has made several grants for specific projects . . ."

He didn't then identify the operations for which the league money was to be used, nor the amount of the grants.

However, he said "no strings have been attached to the grants, and we have been able to sustain our operations with a minimum amount of interruption."

just been re-elected president of the federation—was interviewed on his return from the federation's convention in Rome.

#### FUNDS STARTED

It was about that time that the CIA "investments" in federation activity began coming in. The Post was told.

Washington sources said the CIA primarily was interested in the federation's activities in oil-rich sectors of Latin American and the Middle East. Just how the intelligence agency benefited from the federation's contacts wasn't disclosed.

Earlier this week, the New York Times reported that the CIA—working under the cover of the American Federation of State, County and Municipal Employees — helped organize